

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.
SUITE 301
WASHINGTON, D.C.
20036
(202) 393-2266
FAX (202) 393-2156
E-MAIL alvordlaw@aol.com

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

OF COUNSEL
URBAN A. LESTER

February 10, 2003

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

RECORDATION NO. 24321-B FILED
FEB 10 '03 12-25 PM
SURFACE TRANSPORTATION BOARD

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of (Collateral) Assignment of Leases and Rents, dated as of December 13, 2002, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Commercial Security Agreement which is being filed with the Board under Recordation Number 24321-A.

The names and addresses of the parties to the enclosed document are:

Debtor	Midwest Railcar Corporation 9876 213th Avenue NW Elk River, Minnesota 55330
Secured Party:	Associated Bank Minnesota 7760 France Avenue South Bloomington, Minnesota 55435

Mr. Vernon A. Williams
February 10, 2003
Page 2

A description of the railroad equipment covered by the enclosed document is:

2 covered hopper cars: MWCX 300030 -- MWCX 300031.

A short summary of the document to appear in the index is:

Memorandum of Commercial Security Agreement.

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Alvord', with a stylized flourish at the end.

Robert W. Alvord

RWA/anm
Enclosures

MEMORANDUM OF (COLLATERAL) ASSIGNMENT
OF LEASES AND RENTS
BETWEEN

ASSOCIATED BANK MINNESOTA
("SECURED PARTY")

AND

MIDWEST RAILCAR CORPORATION
("DEBTOR")

December 13, 2002

RECORDATION NO. 24321-B FILED
FEB 10 '03 12-25 PM
SURFACE TRANSPORTATION BOARD

This Memorandum of Assignment of Lease and Rents is hereby entered into as of this 13th day December of 2002 by and between Associated Bank Minnesota, a Minnesota corporation ("Lender"), and Midwest Railcar Corporation, an Illinois corporation ("Borrower").

W I T N E S S E T H:

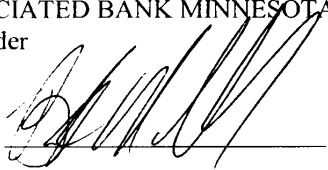
The Borrower hereby sells, assigns, transfers and sets over unto Associated Bank Minnesota (hereinafter, the "Lender"), all of the Borrower's right, title and interest in and to the lease of (2) 2970 – 3300 c.f. Covered Hopper cars as evidenced by that certain Rider 3 dated July 31, 2002 which incorporates by reference that Full Service Lease Agreement dated effective March 15, 2002 by and between Borrower (as Lessor) and Badger Mining Corporation (as Lessee), and any other Equipment Riders and schedules thereto (together, the "Lease") and all rents and other sums due thereunder, and all proceeds therefrom with respect to those certain railcars identified on the attached Schedule "A" hereto (the "Railcars"), and all rents, renewal rents, proceeds of settlement for the Railcars which are lost, destroyed or damaged beyond repair and all other sums due and to become due under and pursuant to or by reason of the Lease, including but not limited to, the payment of any purchase option price paid by the Lessee pursuant to the Lease, as well as any and all subleases of the Railcars.

This Assignment is given and intended as continuing collateral for the payment of the indebtedness of the Borrower to the Lender as provided for in the Commercial Security Agreement dated December 13, 2002 (the "Agreement"), including but not limited to any and all promissory notes executed thereunder (the "Promissory Notes"), including any and all interest thereon and expenses therefor and any and all extensions and/or renewals of the referenced indebtedness, whether such indebtedness shall at any time or from time to time have been reduced or paid in full and thereafter increased or reincurred, and no renewal of, or extension of time of payment of the subject indebtedness or any part thereof, and no agreement not to sue or release or discharge of any persons liable therefor or thereon, or release or exchange of other collateral or any act or thing whatsoever shall diminish, discharge, impair or affect this Assignment or the security afforded hereby, save payment in full by the Borrower to the Lender of any and all indebtedness of the Borrower to the Lender arising under the Agreement and the Promissory Notes, while no default exists under any of the other provisions thereof. If such payment in full is made by the Borrower while no such default exists or if any such payment in full is made while any default exists and all such defaults are subsequently corrected by the Borrower, the Borrower shall be entitled to have this Assignment discharged.

Capitalized terms not defined herein shall have the meanings ascribed to them in the Agreement. This Memorandum of Assignment of Lease and Rents may be executed in any number of counterparts, each executed counterpart constituting an original but together only one memorandum of Assignment of Lease and Rents.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by there respective corporate officers as of the date and year first above written.

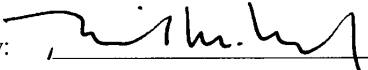
ASSOCIATED BANK MINNESOTA
as Lender

By: 

Name: Brian Munderloh

Title: Vice President

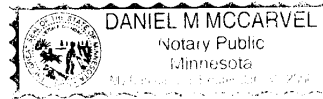
MIDWEST RAILCAR CORPORATION
as Borrower

By: 

Name: Richard M. Murphy

Title: President & CEO

STATE OF MN)
COUNTY OF Hennepin) ss.

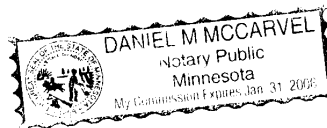


On this 13th day of December 2002, before me personally appeared Brian Munsterloh, to me personally known, who being by me duly sworn, says that he is the Vice President of ASSOCIATED BANK MINNESOTA, that the foregoing instrument was signed on behalf of said national banking association, and he acknowledged that the execution of the said instrument was his free act and deed.

NOTARY PUBLIC: [Signature]

My commission expires: 1/31/06

STATE OF MN)
COUNTY OF Hennepin) ss.



On this 13th day of December 2002, before me personally appeared Rich Murphy, to me personally known, who being by me duly sworn, says that he is the President of Midwest Railcar Corporation, that the foregoing instrument was signed on behalf of said limited liability company, and he acknowledged that the execution of the said instrument was his free act and deed.

NOTARY PUBLIC: [Signature]

My commission expires: 1/31/06

SCHEDULE "A"
To Memorandum of Assignment of Lease and Rents
SCHEDULE OF RAILCARS
One Page
Written Number (Number in Numeric) Units

Two (2) , 2970-3300 c.f. covered hopper cars with round / trough hatches and gravity gates. Car Numbers MWCX 300030 & MWCX300031.